

Message Text

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TO SECSTATE WASHDC IMMEDIATE 733
INFO AMEMBASSY BOGOTA PRIORITY
AMEMBASSY PANAMA PRIORITY

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EO 11652 NA
TAGS: OVIP (BAKER SEN HOWARD B JR AND GARN SEN JAKE)
SUBJ: CODEL BAKER'S CONVERSATION WITH PRES PEREZ

DEPT FOR H. PLEASE DELIVER FIRST THING MONDAY MORNING
TO CRAN MONTGOMERY.

1. SUMMAR: THE MEETING BETWEEN SENATORS BAKER AND
GARN AND PRESIDENT PEREZ WAS DEVOTED ALMOST ENTIRELY
TO A DISCUSSION OF THE PANAMA CANAL TREATIES. PEREZ
OUTLINED THE IMPORTANCE OF THE TREATIES IN LATIN AMERICA
AND THE DISASTROUS PROSPECTS HE FORESAW IF THE TREATIES
WERE NOT RATIFIED. HE EMPHASIZED PARTICULARLY THE
STENGTH THAT WOULD BE GIVEN TO THE FAR LEFT IF THE
TREATIES FAILED. IN ANY FUTURE DISRUPTIONS IN PANAMA,
HE PREDICTED THE INVOLVEMENT OF OUTSIDE FORCES. PEREZ
ALSO OFFERED TO GIVE SENATOR BAKER A LETTER WHICH
WOULD COMMIT HIM TO ORGANIZING THE SUPPORT OF THE OTHER
LATIN AMERICAN COUNTRIES TO GUARTANTEE THE TREATIES
STAYING IN FORCE UNTIL THEY EXPIRE IN THE YEAR 2000.
SENATORS BAKER AND GARN RECONGNIZED THE CONTRIBUTIONS
MADE BY VENEZUELA TO THE PRESENT TREATIES. THEY OUT-
LINED THE DIFFICULTIES THE TRATIES FACED IN THE
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RATIFICATION PROCESS AND ARGUED FOR THE NECESSITY OF
AMENDMENTS TO ASSURE PASSAGE. END SUMMARY.

2. PRESIDENT PEREZ INVITED SENATORS BAKER AND GARN
TO DINNER AT THE PRESIDENTIAL RESIDENCE JAN 13.
ALSO PRESENT WERE FOREIGN MINISTER CONSALVI, AMBASSADOR
VAKY AND CURTIS CUTTER, DEPT OF STATE ESCORT.

3. AFTER OPENING FORMALITIES, PRESIDENT PEREZ IMMEDIATELY SET FORTH WHAT HE TERMED THE HISTORICAL CONTEXT OF THE ROLE OF THE PANAMA CANAL, DESCRIBING IT AS THE LAST VESTIGE OF COLONIALISM. HE POINTED OUT THAT THE CANAL ZONE IS PERCEIVED IN PANAMA AS DIVIDING THE COUNTRY AND FOR YEARS HAS IMPOSED HUMILIATING CONDITIONS ON PANAMANIAN CITIZENS CROSSING THE ZONE FROM ONE PART OF THE COUNTRY TO ANOTHER. ALL OF THESE FACTS MADE A NEW TREATY INDISPENSABLE. THE ISSUE IS, HOWEVER, NOT ONLY AN IRRITANT IN US-PANAMANIAN RELATIONS, BUT A PROBLEM FOR THE US THROUGHOUT LATIN AMERICA AND ITS SOLUTION COULD DRAMATICALLY IMPROVE US RELATIONS IN THE HEMISPHERE. ENEMIES OF THE US DID NOT WANT A SOLUTION TO THE PROBLEM, AND ARE SECRETLY FRIGHTENED BY THE POSSIBILITY THAT WE WILL REACH AN AGREEMENT. SHOULD THE TREATIES FAIL TO BE RATIFIED, PANAMA WILL BECOME A CENTER OF CONFLICT AND OUTSIDE FORCES WILL SURELY INTERVENE. PEREZ THEN STATED THAT THE CANAL HAS RAPIDLY BECOME OBSOLETE AND THIS MAKES THOSE PROVISIONS OF THE TREATY IMPORTANT WHICH DEAL WITH THE SEA-LEVEL CANAL. IF THE TREATIES ARE NOT RATIFIED, THERE WILL BE A SNOWBALL EFFECT AS ACCUMULATED PROBLEMS WITH LATIN AMERICA ARE MAGNIFIED BY THIS FAILURE. HOWEVER, SHOULD THE TREATIES BE ADOPTED, THERE WILL BE AN EQUAL SNOWBALL EFFECT IN BUILDING CONFIDENCE IN LATIN AMERICA. PANAMA IS NOT LIMITED OFFICIAL USE

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A DEMOCRATIC COUNTRY, BUT WITH THE ADOPTION OF THE TREATIES, HE IS CONFIDENT PANAMA WILL CHANGE. HE BELIEVED THE TREATY AS WRITTEN GAVE ADEQUATE GUARANTEES AND DID NOT SEE WHAT WOULD BE CHANGED BY MODIFYING THE TREATIES TO INCLUDE MORE SPECIFIC LANGUAGE CONCERNING THE US ROLE IN DEFENDING THE CANAL. PEREZ MENTIONED THAT IN HIS INITIAL PERIOD IN OFFICE. TORRIJOS HAD FLIRTED WITH CASTRO AND THE SOVIET UNION. HOWEVER, COSTA RICA, COLOMBIA AND VENEZUELA HAD TAKEN AN ACTIVE ROLE IN CONVINCING HIM THAT THIS WAS NOT A WISE COURSE. (IN THIS REGARD, HE REFERRED TO A LETTER HE HAD WRITTEN TO PRESIDENT FORD AND ASSURED SENATOR BAKER HE WOULD SEND HIM A COPY). THESE COUNTRIES HAD ALSO CONVINCED TORRIJOS THAT THE US MUST HAVE A LONG TERM DEFENSE ROLE.

3. SENATOR BAKER RESPONDED TO THE PRESIDENT BY DESCRIBING THE PRESENT SITUATION IN THE US SENATE. HE FELT THAT IN THE PRESENT FORM, THE TREATIES HAD NO CHANCE OF BEING ADOPTED AND THAT THE ONLY POSSIBLE WAY IT COULD BE ADOPTED WAS TO INCORPORATE CHANGES MAKING IT POSSIBLE FOR A SUFFICIENT NUMBER OF SENATORS TO SUPPORT THE

TREATIES. HE HIMSELF WAS NOW PREPARED TO SUPPORT THE TREATIES IF AN APPROPRIATE PACKAGE OF AMENDMENTS COULD BE AGREED UPON AND HE HOPED THAT BOTH PRESIDENTS CARTER AND TORRIJOS WOULD SHOW FLEXIBILITY ON THE QUESTION OF AMENDMENTS. SENATOR BAKER HAD SPOKEN ON THE PHONE WITH THE MAJORITY LEADER, ROBERT BYRD, AND INTENDED TO CONFER WITH HIM IN THE AFTERNOON OF JAN 15 AND WITH THE PREISENT THE MORNING OF JAN 16. SENATOR BAKER WAS APPRECIATIVE OF THE ROLE THAT VENEZUELA AND THE OTHER COUNTRIES HAD PLAYED IN REACHING AGREEMENT ON THE TREATIES, AND HOPED THAT WE COULD CONTINUE TO HAVE PRESIDENT PEREZ' SUPPORT.

4. SENATOR GARN UNDERLINED THE DIFFICULTY OF THE TASK
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THAT SENATOR BAKER WAS UNDERTAKING IN TRYING TO WORK OUT THE COMPROMISE ON THE TREATIES. HE DESCRIBED THE DIVISIVENESS OF THIS ISSUE IN THE US AND THE NEED TO CONSIDER THE ATTITUDES OF MANY AMERICANS IN ELABORATING AN APPROPRIATE TREATY. SENATOR GARN THEN DESCRIBED TO PEREZ HIS OWN CONCERNS WHICH MADE IT IMPOSSIBLE FOR HIM TO SUPPORT THE TREATIES EVEN WITH THE AMENDMENTS SENATOR BAKER WAS SEEKING (ALTHOUGH HE WOULD SUPPORT HHOSE AMENDMENTS). HIS MAJOR OBJECTION TO THE TREATIES, DERIVED FROM HIS EXPERIENCE AS MAYOR OF SALT LAKE CITY, WAS THAT POLITICIANS HAD A TENDENCY TO ROB PETER TO PAY APUL AND THAT ONCE THE CANAL WAS IN PANAMANIAN HANDS, THEY WOULD DEFER NEEDED MAINTENANCE AND IMPROVEMENTS AND USE THE MONIES IN OTHER, MORE PRESSING POLTICIAL AREAS. SENATOR GARN THEN ATTACKED THE COLNONIALISM THESIS PUT FORWARD BY PRESIDENT PEREZ BY COMPARING THE US AND SOVIET ROLES IN THE WORLD SINCE THE END OF WORLD WAR II.

5. SENATOR BAKER RESTATED THAT RATIFICATION OF THE TREATY WAS BY NO MEANS CERTAIN, AND THAT EVEN WITH THE AMENDMENTS HE WAS CONTEMPLATING IT WOULD BE DIFFICULT TO GET 68 SENATORS TO SUPPORT THE TREATIES. HE HAD NO INTENTION OF NEGOTIATING SUCH CHANGES PERSONALLY, BUT WOULD WORK THRU PRESIDENT AND THE STATE DEPT. HE HOPED THAT PRESIDENT PEREZ UNDERSTOOD THE NEED FOR THESE CHANGES AND THAT IT WOULD BE POSSIBLE TO REACH AN UNDERSTANDING WITH PANAMA.

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INFO AMEMBASSY BOGOTA PRIORITY
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6. PRESIDENT PEREZ SAID THAT IT WAS INCREDIBLE THAT THERE HAD STILL BEEN NO WIDESPREAD PROTEST AGAINST THE TREATIES IN LATIN AMERICA. IN PANAMA ITSELF THERE WAS SOME DEMOCRATIC OPPOSITION TO THE TREATIES BECAUSE OF THE TORRIJOS GOVT. HOWEVER, THIS OPPOSITION WAS SUBDUED. CASTRO AND THE USSR ARE WAITING FOR THE FAILURE OF THE TREATIES, AT WHICH TIME THE ANTI-DEMOCRATIC LEFTIST FORCES IN LATIN AMERICA WILL UNLEASH A CAMPAIGN AGAINST THE US BASED ON ITS FAILURE TO RATIFY THE TREATIES. PEREZ THEN SAID THAT HE WAS OPPOSED TO AMENDMENTS TO THE TREATIES. GENERAL TORRIJOS HAS TOLD HIM THAT HE BELIEVES A SECOND PLEBISCITE WOULD FAIL IN PANAMA IF IT WAS NECESSARY TO AMEND THE TREATIES AND COULD RELEASE ANTI-US FORCES THAT HE COULD NOT CONTROL. THE OCT 14 MEMO OF UNDERSTANDING BETWEEN CARTER AND TORRIJOS, HOWEVER, WAS ACCEPTABLE AND WOULD NOT REQUIRE A PLEBISCITE. VENEZUELA HAD TALKED WITH THE OTHER COUNTRIES IN LATIN AMERICA ABOUT THE OCT 14 MEMO OF UNDERSTANDING, AND GOTTEN APPROVAL FOR IT. THERE WERE GREAT DANGERS, HOWEVER, IN INCORPORATING ANY OTHER CHANGES INTO THE TREATIES BOTH IN PANAMA AND IN THE REST OF LATIN AMERICA.

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7. SENATOR BAKER ASKED--DID THIS MEAN THEN THERE WAS NO FLEXIBILITY IN THE PANAMANIAN POSITION, BECAUSE IF IT DID, THEN HE (SENATOR BAKER) WOULD HAVE TO GO BACK TO GENERAL TORRIJOS TO CLARIFY THIS, SINCE TORRIJOS HAD ASSURED HIM HE WAS FLEXIBLE. HE WOULD

NOT PRESUME TO TELL GENERAL TORRIJOS HOW TO INCORPORATE CHANGES INTO THE TREATIES, BUT HE THOUGHT IT COULD BE DONE BY A PLEBISCITE. HE WANTED PRESIDENT PEREZ TO UNDERSTAND THAT, GIVEN THE DIVISION ON THIS ISSUE IN THE US, HE WAS RISKING HIS POLITICAL FUTURE IN EVEN SEEKING A COMPROMISE FORMULA THAT WOULD LEAD TO ACCEPTANCE OF THE TREATIES. HE REITERATED THAT ANY PACKAGE HE WOULD PUT TOGETHER WOULD BE NEGOTIATED WITH TORRIJOS THRU THE EXECUTIVE BRANCH..

8. PRESIDENT PEREZ ONCE AGAIN STRONGLY OPPOSED THE IDEA OF AMENDMENTS TO THE TREATIES BECAUSE OF THE DANGERS OF A NEW PLEBISCITE. SENATOR BAKER RESPONDED THAT HE FELT SUCH CHANGES COULD BE ACCEPTED WITHOUT RECURRING TO A PLEBISCITE. AMBASSADOR VAKY STATED TO THE SENATORS THAT HE UNDERSTOOD PRESIDENT PEREZ' CONCERN ABOUT "MODIFICATIONS" TO BE CONCERN ABOUT AMENDMENTS WHICH SUBSTANTIALLY CHANGED THE NATURE OF THE TREATIES RATHER THAN CLARIFICATIONS OR INTERPRETATIONS. THE PRESIDENT SAID THAT WAS CORRECT.

9. SENATOR GARN REITERATED THAT IT WOULD BE EXTREMELY DIFFICULT FOR THE TREATIES TO PASS, BUT SENATOR BAKER WAS MAKING A GENUINE EFFORT TO SECURE THEIR PASSAGE BY WORKING OUT A SERIES OF AMENDMENTS. TORRIJOS HAD TOLD THEM THAT HE COULD ACCEPT BOTH THE OCT 14 MEMO OF UNDERSTANDING AND THE ELIMINATION OF THE PROVISIONS CONCERNING THE SEA-LEVEL CANAL. LIMITED OFFICIAL USE

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TORRIJOS HAD AN OPEN MIND AND HAD SAID THAT IF NECESSARY, HE WOULD BE PREPARED TO HOLD ANOTHER PLEBISCITE.

10. TO THIS, PRESIDENT PEREZ RESPONDED THAT OF COURSE THE TREATIES WERE NOT SET IN STONE. IT WAS NOT, HE FELT, A QUESTION OF TORRIJO'S FLEXIBILITY OR INFLEXIBILITY, BUT THE PRACTICAL POLITICAL PROBLEM OF WHETHER TORRIJOS COULD DELIVER PANAMANIAN AGREEMENT TO A SUBSTANTIALLY CHANGED TREATY EVEN IF HE WANTED TO. SENATOR BAKER ONCE AGAIN EMPHASIZED THE PERSONAL RISKS IN THE AMERICAN POLITICAL SCENE FOR SUPPORTERS OF THE TREATIES, AND ASKED PRESIDENT PEREZ IF THE TREATIES WERE ACCEPTED WITH THE CHANGES HE WOULD PROPOSE WOULD VENEZUELA RESIST THIS SOLUTION. THEN SENATOR BAKER ASKED WHETHER VENEZUELA WOULD SUPPORT THE US AND THE TREATIES IF A SUBSEQUENT PANAMANIAN GOVT PRIOR TO THE YEAR 2000 WOULD, ONCE AGAIN, TRY TO RENEGOTIATE THE TREATIES WITH EVEN LESS FAVORABLE TERMS FOR THE US. PRESIDENT PEREZ RESPONDED "ABSOLUTELY" AND ADDED THAT VENEZUELA WOULD EVEN TAKE THE LEAD IF THE TREATIES WERE RATIFIED BY BOTH COUNTRIES

IN GUARANTEEING THE TREATIES THRU THE YEAR 2000. HE
COULD FORESEE AN OAS ROLE AND MIGHT PROPOSE ANOTHER
MEETING IN WASHINGTON WHERE ALL OF THE PRESIDENTS WOULD
SUBSCRIBE TO A DOCUMENT OF THIS NATURE.

11. BASED ON THE FOREGOING, THERE WAS FURTHER DIS-
CUSSION OF THE MERITS OF AMENDING THE TREATIES. PRESIDENT
PEREZ CONTINUED TO HOLD THAT IT WAS UNNECESSARY AND THAT
A SIMPLE DECISION IN THE PENTAGON WAS ALL THAT WAS
NECESSARY IF THE TREATIES WERE IN ANY WAY VIOLATED,
AND THAT FURTHER AMENDMENT ONLY GAVE AN OPPORTUNITY TO
EXTREMIST GROUPS. SENATOR BAKER CONTINUED TO POINT OUT
THAT THE ONLY LEGISLATIVE SALVATION FOR THE TREATIES WAS
A SATISFACTORY SET OF AMENDMENTS. HE SAID HE WAS PRE-
PARED TO TELL PRESIDENT CARTER ON MONDAY THAT IF THERE
WERE NO AMENDMENTS THERE WOULD BE NO TREATY, AND THAT
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HE HOPED IN THIS RESPECT PRESIDENT CARTER WOULD REMAIN
FLEXIBLE. SENATOR BAKER CLOSED THIS PART OF THE DIS-
CUSSION COMMENTING THAT HE WOULD HOPE THAT PRESIDENT
PEREZ COULD SEE THE SITUATION THRU THE EYES OF A
US CITIZEN, AND THAT WITH HIS HELP AND WILLINGNESS
TO SHOW FLEXIBILITY WE COULD REACH A SATISFACTORY AGREE-
MENT. SUBSEQUENTLY, PRESIDENT PEREZ SAID HE WOULD SEND
A LETTER TO SENATOR BAKER REAFFIRMING HIS COMMITMENT
TO ORGANIZE SUPPORT AMONG THE OTHER PRESIDENTS OF THE
HEMISPHERE FOR A DOCUMENT GUARANTEEING THE TREATIES
THRU THE YEAR 2000.

15. DURING DINNER, SEVERAL OTHER SUBJECTS WERE
TOUCHED ON BRIEFLY, INCLUDING PRESIDENT PEREZ' CON-
VICTION THAT THE EXCLUSION OF VENEZUELA AND
ECUADOR FROM GSP BENEFITS, WHILE NOT HAVING AN IMPORT-
ANT IMPACT ON VENEZUELA WAS A DISHONORABLE THING
AND SHOULD BE CORRECTED. SENATOR BAKER INDICATED HE
WOULD SUBMIT AN AMENDMENT TO CORRECT THIS SITUATION
THERE WAS ALSO CONSIDERABLE DISCUSSION ABOUT
THE NEED FOR THE WORLD TO DEVELOP RATIONAL ENERGY
POLICIES TO PROTECT THE WORLD'S DIMINISHING ENERGY
SUPPLIES.
VAKY

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